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ABSTRACT

This document presents a format for evaluating the viability of individual campuses in the Pennsylvania State University System (PSUS) including criteria and a process to apply them. A viable campus is defined as having a clear mission with a demonstrable agreement among administrative and faculty visions, having adequate resources, involving the community, and reflecting the mission and policy of PSUS. Related studies of campus viability are described including those that have examined institutional missions, viability indicators, and alternative organizational structures. Four viability factors are considered at length: (1) quality, (2) enrollment, (3) finances and facilities, and (4) community interest and political support. A quality assessment should cover student characteristics, program and course offerings, full-time faculty, non-tenure-track faculty, staff support, and administration. Enrollment factors considered in such an assessment should include critical mass, student retention, student/faculty ratios, and student/administration ratios. The third assessment area should include finance, facilities, and equipment. Finally, evaluation of community interest and political support should cover campus advisory board, educational leadership, economic development, cultural impact, local enrollments, fundraising, government support, alumni support, and state-wide advocacy. The paper also includes procedures for campus viability evaluation, suggested steps following a judgment that a campus is inefficient or ineffective, and actions in the case of a similar judgment of non-viability after 3 years. (Contains 40 references.) (JB)

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ASSESSMENT OF CAMPUS VIABILITY

Report of the Campus Viability Study Group

Submitted to Robert E. Dunham, Ph.D.
Senior Vice-President and Dean,
Commonwealth Educational System

September 8, 1993

PENNSTATE

Commonwealth Educational System

HE 027 265

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ORIGIN OF AND CHARGE TO THE STUDY GROUP

The CES Plan for the Future (Fall, 1992) specified enrollment, cost, political or community support, and constituency need as components of viability. In the spring of 1993, the University Future Committee mandated that the Commonwealth Educational System's Strategic Plan for 1994 include criteria for assessment of quality and cost effectiveness for determination of viability of individual campuses in the system. In May, 1993, a study group was established to identify criteria and develop guidelines for viability assessment. The group was charged with "reviewing the literature and seeking broad consultation to form the basis for developing proposed criteria and standards for determining campus viability. The background information obtained should provide a basis for identifying the considerations crucial to the overall question of campus viability. Guidelines should be developed and proposed for use in assessing campus viability."[1] The attached report is herewith transmitted to Dr. Dunham in partial fulfillment of the charge.

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[1] Letter of May 18, 1993 from Robert E. Dunham, Senior Vice President and Dean, CES, to the study group.

INTRODUCTION

For more than twenty-five years, the campuses of the Commonwealth Educational System have offered a variety of Penn State experiences to post-secondary students of all ages. The campuses were originally intended as individual associate degree-granting units and/or "feeders"for University Park's baccalaureate programs. The concept of "One University, geographically dispersed"[2] described the University's intention to optimize access to a Penn State education by residents of the Commonwealth. Pursuant to that academic mission, the campuses have taught more than one third of the lower division undergraduate students at Penn State. The campuses have thus served students who could not have been accommodated in the freshman and sophomore courses at University Park without costly expansion or redirection of facilities and faculty at University Park—a contribution by the CES campuses that the University as a whole has not fully understood.

The present report proposes that the focus of viability assessment should be on each campus's identification and delivery of an operational mission consistent with the mission of the University as a whole, and with the criteria of quality, effectiveness and efficiency. Evaluators of campus viability should also be aware that the escalation of educational needs in a time of diminishing resources is endemic to higher education nationally.[3] Features of budgeting unique to the campuses are described in the section on Finances and Physical Plant: the fact that the CES as a whole is income driven makes it appear more vulnerable than the colleges in the present circumstances.

The concept of viability is strongly tied to institutional purpose. Campus viability must be assessed according to how well that purpose is served. In 1972, the *Academic Policy Plan of The Pennsylvania State University* indicated little differentiation of mission among campuses. That plan accurately predicted a change in the needs of some CES students toward part-time, nonresident, intermittent education. The 1980 plan, *A Perspective on the 80s*, stressed the dependency of each Commonwealth Campus on local needs and constituencies, suggesting differentiated missions for campuses and urging the development of a central administration of what is now the Commonwealth Educational System. In the past decade, individual campuses developed differentiated missions in response to the changing needs of their student constituency.

The 1992 *CES Plan for the Future*[4] recognizes differences in programmatic focus among campuses, and proposes further differentiation in mission and possible collaboration among neighboring campuses. Some campuses are expected to stress provision of the first two years of baccalaureate education; others will emphasize associate degrees, and still others will offer a broader spectrum of opportunities for adult, location-bound students. Some campuses may offer unique programs not found elsewhere in Penn State but especially appropriate to the constituency served. For every campus, the 1992 *CES Plan* anticipates the continued feeder function to University Park, Behrend, and Capital campuses. It also proposes regional upper division programs.

To remain viable, the campuses must continue to develop and maintain a balance of credit, non-credit and public service programs defined by the students' needs. In every case, a crucial

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[2] The current term, as of 1991, is geographically *distributed*.

[3] *Campus Trends, 1993* (1993).Washington, D.C.: American Council on Education.

[4] Robert E. Dunham (1992). *CES Plan for the Future*. University Park: Penn State University.

concern must be the need for the programs and the quality of their delivery. (See the section on Quality, below).

This report documents the need for a holistic approach to campus assessment in terms of quality, enrollment, cost-effectiveness, community interest and political support. No single factor is sufficient to define campus viability, or the lack of it. For example, contrary to earlier expectations and present concern, current enrollment on every campus is higher than earlier plans predicted. The recent, demographically-induced declines may be offset by predicted increases in the next decade, especially if market share[5] is constant or is increased. Some campuses are dependent upon community support, others are not. One campus may be the only site for post-secondary education in its county; another may serve location-bound students who want a *Penn State education* by offering programs given by other institutions in the area.

While every campus should seek optimal cost-effectiveness, the significance to the University of a campus as a local presence, as a center for minority recruitment, or as the favorite object of a major contributor may be sufficient to warrant a degree of subsidy in the short term. Every campus produces revenue for the University. In most cases, the closing of a campus would result in the loss of that revenue, since students, especially returning adults, would be unlikely to seek a Penn State education at another location. Therefore, as long as quality can be maintained, it is in the University's best interest to seek to improve viability rather than to close a campus.

The maintenance of Penn State's competitive edge for students at all campuses, including University Park, is served by every location-bound student's experience of Penn State quality on a CES campus. Many location-bound students have friends or relatives who may be more likely to seek a Penn State education after hearing about a positive local experience. The value of the entire range of services of the CES to the University as a whole must be understood throughout the University.

The mission of a campus must evolve from the vision of its administration and faculty, congruent with existing evidence of capabilities, the needs of the constituency, and the University's comprehensive, global mission. It is essential that the mission of each campus and that of the CES as a whole be endorsed by the University at every level. Operationally, this includes the proper marketing of the campuses and the cooperation of the academic deans in the development and approval of appropriate academic programs for which local need can be demonstrated. The mission of each campus may continue to change as it is redefined by local conditions and by the University. The ability of a campus to match its resources to the needs of its constituency will be critical to viability.

Even so, campus viability demands an answer to the questions: viability for what, and at what cost? The cost of closing a campus must also be addressed: what will be lost, and how will it affect the CES and the University as a whole? For that reason, the process of evaluation will describe a continuum of responses other than closing if a campus appears to be in decline: acquisition of additional resources to support the present mission and scope of services, a change of mission to reflect altered needs or declining population, collaboration or regionalization with other Penn State campuses, or merger with other local institutions may improve viability. The next section details successful approaches used by other universities.

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[5] Market share, as defined in campus strategic plans, refers to the proportion of available high school graduates in a campus service area who choose to attend that Penn State campus.

SUMMARY: A viable campus must have a clear mission, with demonstrable agreement among administrative and faculty vision, available resources, community interest, and the mission and policy of Penn State. Individual campuses may vary considerably in the scope of mission and the relative importance of the several indicators. However, in every case, a viable campus must deliver programs of a quality consistent with Penn State, and finally, proper definition of viability must answer two questions. The first is readily anticipated: What will be gained if a campus is closed? The second must not be overlooked: What will be lost if a campus is closed?

RELATED STUDIES OF CAMPUS VIABILITY: SYSTEM-WIDE AND INSTITUTIONAL PLANNING

MISSION REVIEW: All decisions regarding the continued health of a program, campus or institution begin with an examination of mission (Caruthers & Lott, 1981; Melchiori, 1982; Keller, 1983; Wilson, 1983; Steeples, 1986). Numerous case studies of institutional revival (Keller, 1983; Steeples, 1986; Monaghan, 1991) illustrate the need for a clearly articulated mission for which financial support (whether from taxpayers, community groups, alumni, or others) can be generated. In other cases, a thorough review of institutional missions may point out the benefits (or drawbacks) of a merger or takeover (McKeefery, 1981; Meisinger, 1981; Mingle, Berdahl & Peterson, 1981; Barr, 1984; Mooney, 1987). In extreme cases, such analysis may lead to the decision to close a campus (Mooney, 1991; Aronow, 1993).

According to Caruthers and Lott (1981), a useful mission statement includes descriptions of the following components: Heritage and Fundamental Purposes; Responsibilities to Constituencies; Community and Civic Obligations; Educational Philosophy; Role of Supporting Services; and Style of Governance and Management. Within these topics, the institution should explicitly state its priorities in such areas as: (1) teaching, research, and service; (2) graduate and undergraduate instruction; (3) liberal-arts and career-oriented programs; (4) traditional and nontraditional education; (5) range of disciplinary offerings; and (6) research programs. In order to develop the academic strategy which a mission statement will reflect, Keller (1983) proposes six elements for analysis: (1) traditions, values and aspirations; (2) academic and financial strengths and weaknesses; (3) the abilities and priorities of the leaders; (4) environmental trends: threats and opportunities; (5) market preferences, perceptions and directions; and (6) competitive situation: threats and opportunities.

While some institutions have truly unique missions, such as a private junior college (Woodroof, 1990) or an exclusively upper-level college (Cardozier, 1984), an institution need not be highly specialized in order to be distinctive. At times, judicious pruning of programs or services may be needed to counteract declining enrollment, but expansion into new areas (notably career-oriented education and/or graduate programs) has also been a successful turnaround strategy (Steeples, 1986). Stauffer (1990) describes "partnership universities" which are frequently, but not necessarily, organized around a common curricular theme such as information science or biotechnology. In such institutions (e.g. George Mason University, the University of Houston at Clear Lake, the University of Central Florida, Miami-Dade Community College District, the University of California at Irvine, and the University of Texas at Dallas), "regional economic and cultural development is a fourth institutional function after teaching, research, and service" (Stauffer, 1990, p. 21). Konrad (1982) specifically addresses the role of the branch campus, advocating that branch campuses become more assertive in developing governance structures and

processes to enhance their status and improve the quality of education in the communities they serve.

INDICATORS OF CAMPUS VIABILITY: The majority of published studies approach the question of institutional or campus viability from a quantitative perspective. Moreover, most criteria define viability by its absence, identifying indicators of decline rather than of institutional health. Lastly, most discussions of campus viability focus on inputs (i.e. resource measures) rather than outcomes.

Negative Indicators: Glenny and Bowen (1981) categorize "Warning Signals of Distress" by whether or not an institution can exercise control over the indicator. Indicators that they say an institution cannot control include: (1) shifts in the ethnic mix of the institution's service area; (2) shifts in the socioeconomic mix of the institution's service area; (3) federal subsidies; (4) changes in labor demand in the college service area; (5) live births and the demand for teachers; (6) source of students by geographical area; (7) changing student profiles; (8) student flow from high schools; (9) average student loads; and (10) uncertainty in obtaining the next budget. Indicators that they say the institution can control include: (11) physical environment of the campus; (12) proportion of total budget composed of soft money; (13) decrease in transfer students at two-year colleges; (14) lower admission standards; (15) hiring from within; (16) increasing unit costs; (17) increasing or decreasing percentages of part-time faculty; (18) percentage of faculty teaching outside primary specialization; (19) regular faculty assigned to unusual teaching hours; (20) decreasing rates of funding for additional students; (21) encouragement of unselective early retirement; (22) proportion of faculty with overloads or underloads; (23) period between closing of applications and registration; (24) drop in application rates for admission; (25) increasing or decreasing dropout rates; (26) overload of career counselors; (27) placement of graduates; (28) reduction in supply, equipment, and travel budgets; (29) faculty salaries increasing disproportionate to total budget; and (30) increased fees for support of selected services.

Gilmartin (1981) also uses relation to institutional distress in order to validate sixty-one indicators of viability. These indicators are broadly classified as follows: (1) reliance on various sources of revenues; (2) revenues per student or faculty member; (3) net revenues (revenues minus expenditures); (4) distribution of educational and general expenditures; (5) distribution of current fund expenditures; (6) expenditures per student or faculty member; (7) ratios of scholarship expenditures to tuition revenues; (8) fund balances; and (9) plant assets and indebtedness. Hoenack and Roemer (1981) apply a resource optimization model to the campus closure decision. Assuming that travel grants would have to be provided to students living near the closed programs in order to maintain access, the model incorporates the tradeoff between institutional cost savings and expenditures for travel grants. The model searches alternative closings of campuses (and subsequent changes in enrollment in those campuses that remain open) until it finds a case where the state's higher education costs are minimized subject to constraints.

In response to a severe budget crisis in the state, the State University of New York (SUNY) critically examined the possibility of closing one or more campuses, concluding that all campuses were, in fact, viable on their own merits. Moreover, long-term costs, both to the institution and to the surrounding region, erode much of the anticipated savings. Nevertheless, recognizing that continued fiscal constraint would undoubtedly force reconsideration of the issue, SUNY established the following criteria for a campus closure: (1) total savings available for reallocation elsewhere in the system; (2) cost per student; (3) special value to the State of New York of the academic programs to be lost; (4) potential use of campus physical plant and other assets; (5) impact on surrounding region; and (6) political viability of closure (Johnstone, 1991).

Positive Indicators: At least twenty-six states have formed task forces to examine issues of quality, efficiency, access and financial support at public two- and four-year institutions (Mangieri & Arnn, 1986). Many have adopted some form of statewide master planning for higher education development. Florida and California are well-known for their centralized, coordinated planning efforts; both states have established criteria for the development of new campuses and/or off-campus centers (Florida State Postsecondary Education Planning Commission, 1987, 1988; California State Postsecondary Education Commission, 1990).

In 1990, the California State Postsecondary Education Commission revised its 1982 guidelines and procedures for proposed new campuses. The updated criteria require that all proposals address the following: (1) enrollment projections; (2) alternatives to new campuses or off-campus centers; (3) serving the disadvantaged; (4) geographic and physical accessibility; (5) environmental and social impact; (6) effects on other institutions; (7) academic planning and program justification; and (8) consideration of needed funding. Florida's Master Plan, developed in 1982, explicitly encourages institutional collaboration and shared facilities. Guidelines state that

> in cases where need is compelling, any new branch or center should reflect Florida's two-plus-two approach, and should fully utilize joint programs and joint facilities between state universities, community colleges and independent institutions whenever possible. ... Facility construction for a new branch or center should not be approved by the respective governing board unless it is clearly demonstrated that cooperative use of existing facilities is not feasible. Any proposal should be evaluated both in terms of initial capital construction costs and long-range operational expenses. (cited in Florida Postsecondary Education Planning Commission, 1987, p. 6)

In the only study to focus specifically on outcome measures of institutional viability, Rossi (1981) offers a series of 'Higher Education Product-Value Indexes' (HEPVI), based on the market value of an institution's degrees. Various ratios can be calculated for HEPVI relative to student enrollment, tuition rates, instructional expenditures, number of full-time faculty, or other measures that an institution deems important.

Political and Community Support: Strickland (1978) argues that "[d]evelopment of a satellite campus demands that an institution understand the social, economic, and political structure of the surrounding community" (p. 3). External factors to be considered include potential market segments in the region, location of highly accessible sites, economic feasibility, and consideration of the general administrative and/or procedural problems associated with establishing a satellite site.

Recent experiences across the U.S. point out the importance of political and/or community support for continuing campus viability. Strong local support (expressed in multi-million dollar donations) helped save the College of Idaho (Monaghan, 1991). Local opposition kept the University of Minnesota from closing its Waseca campus in 1973, but could not accomplish the task again in 1991 (Mooney, 1992). In Texas, a state district court ruled that the Texas higher education system discriminated against Mexican-Americans. Although the state denies any illegal discrimination, and is appealing the ruling, the Texas legislature has approved a "massive" budget increase for nine public universities in South Texas which will allow those institutions to expand their campuses and offer a wider range of degree programs. The University of Texas at San Antonio plans to develop a new downtown campus (Mangan, 1993).

ALTERNATIVE ORGANIZATIONAL STRUCTURES: Closing a campus is a radical decision, one that most systems and institutions will go to great lengths to avoid. Throughout the 1980s, however, declining enrollments and decreasing financial support from public sources inspired a number of creative solutions, including reorganization, mergers, joint ventures, and consortia.

Statewide Reorganization and Institutional Mergers: As Mangieri and Arnn (1986) illustrate, there are about as many approaches to system reorganization as there are states. Experiences in Alabama, Connecticut and Massachusetts in the late 1970s and early 1980s are detailed by Mingle, Berdahl and Peterson (1981). The ongoing restructuring of the University of Alaska System involves the merger of community colleges into multi-campus universities. While the restructuring process was designed to provide broad-based consultation from all constituencies, the implementation of the new plan has been opposed both in the legislature and in the courts. (Mooney, 1987; Gaylord, 1988a, 1988b)

Institutional mergers may also be initiated at the level of the individual campus. In many cases, a private college facing inevitable extinction will offer itself to the state (McKeefery, 1981; Meisinger, 1981) or to another private institution (Aronow, 1993). Another type of merger occurs at the level of a school or college within a university, for example, the Schools of Education at Oregon State University and Western Oregon State College (Barr, 1984). Chambers (1981) provides several case examples of institutional mergers and offers logistical advice on negotiating strategies.

Joint Ventures and Consortia: Collaborative efforts between and among institutions can range from joint programming to simply sharing a building. In keeping with Florida's policy to foster cooperation, the University of West Florida (main campus in Pensacola) and Okaloosa-Walton Junior College (main campus in Niceville) jointly operate a Center in Fort Walton Beach. The relationship between the two institutions dates back to 1968, when an informal two-plus-two effort began at Eglin Air Force Base; ten years later, a formal cooperative agreement took effect. In 1981, the institutions published their first joint catalog; since that time, joint baccalaureate degree programs have steadily increased (Florida Postsecondary Education Planning Commission, 1987).

Described as "a step further" than articulation agreements, Macomb County, Michigan has developed a cooperative endeavor between Macomb Community College and five universities to provide baccalaureate degree programs in suburban Detroit. The $10 million University Center was built with taxpayer funds. The 70,000 square foot building, dubbed by some as "a higher education mall" contains classrooms, faculty offices and a two-story atrium lobby. After completing their lower-division studies at Macomb Community College (or other community colleges in the area), students can attend classes at the University Center to pursue four-year degrees offered by Wayne State University, Walsh College of Accountancy and Business Administration, the University of Detroit, the University of Central Michigan, or Oakland University (Cage, 1990). Sharing facilities and some administrative functions has also been a successful strategy for several institutions in Denver, Colorado and Gwinnett County (suburban Atlanta), Georgia.

SUMMARY AND CONCLUSION: This examination of published sources discovered no comprehensive model of campus viability. Lists or tables of suggested quantitative indicators tend to treat political and/or community support as an afterthought or confounding variable. Yet evidence suggests that such support may actually 'make or break' the institution, overriding financial considerations. A useful model for assessing campus viability must begin with a mission

review, against which both quantitative and qualitative indicators are applied. Ideally, the model will include indicators of outcomes (e.g. quality, value-added) as well as institutional resources.

Both state policy-makers and campus administrators tend to view viability as an either/or condition. If an institution is deemed not to be viable, it must be closed. Numerous examples demonstrate that this is a false dichotomy. A wide range of options is available to an institution (or system) in distress. A useful model for assessing campus viability will include a process of review that encourages the examination of all possible alternatives, and affords the opportunity for experimentation.

INDICATORS OF QUALITY IN THE DELIVERY OF THE CAMPUS MISSION

The Commonwealth Educational System's campuses exist to serve students throughout Pennsylvania and adjacent states. Therefore, the mission of every CES campus is expected to be student-centered. Fulfillment of individual campus missions must be assessed in terms of the quality of instruction, student programs and services, and the student environment. Documentation of excellence will include somewhat different parameters on each campus. However, in every case, the quality of program delivery is contingent upon: (1) recruitment, support, and advancement of superior faculty and staff, (2) an appropriate match between faculty, programs, and attending students; (3) the development and maintenance of appropriate physical facilities and resources, and (4) the ability to attract a viable student body.

The suggestions which follow serve as a general guide and should not be taken as a checklist. Some campuses may include unique factors not listed here; no single campus is likely to excel in all of the factors listed. In every case, the evaluation should emphasize the quality of instructional and supportive activities, not just resources in place.

STUDENTS: The distribution of students by gender, race, and ethnicity should be representative of the constituency served by the campus's programs. The overall academic quality of students should be suitable for University work. A campus should only recruit and admit students for whom it can provide a quality education.

For all students, thorough academic advisement is essential, beginning with a comprehensive orientation program. Student satisfaction with orientation and advising should be carefully monitored. Lower-division undergraduates' participation in research is unique to CES students and should be encouraged by administrators and faculty. The distribution of student abilities should be balanced so that the full continuum of students is well served by the campus. For example, if, in accord with the land grant mission of the University, a campus serves some students who require academic assistance, suitable tutorial and counselling services should be offered, and peer tutoring can be highly successful if the student population includes a sufficient number of able students.

Evaluation of excellent student outcomes includes, but is not limited to: student satisfaction, retention to completion of students' goals,[6] participation in research, success in upper division courses, graduation rates, admission to graduate or professional education, pass rate for licensure examinations, placement in employment related to the academic field, and employer feedback.

A student's college life is not limited to academic experience. A viable campus should provide: cultural activities, sports, informal gatherings with faculty and/or administrators, an array of student organizations, opportunities to meet mentors in the community, and support by career guidance and placement staff, counselors, and financial aid personnel. The student experience may be enhanced or enabled further by: (1) creative employment of students, whether through work-study programs or campus budget; (2) support services for adult students, including financial aid for part-time students and day care for students' pre-school children; day care could be provided on a cooperative model, supported by the parent-students.

Campuses with residence halls must be particularly sensitive to the quality of student life. Campus responsibility for University-owned residence halls includes delivery of a cocurricular residence life program by appropriate professional staff. At the very least, indicators of quality include, but are not limited to: (1) extended access to library, computer, and physical education facilities; (2) food and health services; (3) security of person and belongings, and (4) adult mentorship and counseling consistent with student adjustment to college and to being away from home.

The attractiveness of a campus for students may be enhanced by: honors programs, undergraduate research opportunities, availability of associate and/or baccalaureate degree programs on site, and/or formal articulation agreements for unique programs to be completed at neighboring institutions. The latter is especially important for students who are location bound and students seeking majors that are not available at Penn State.

While recruitment efforts and student services may enhance enrollment, the ultimate question is: can the campus attract enough qualified students to generate an intellectual atmosphere appropriate to the curricula it offers? If not, then the campus may need to revise its mission in order to be deemed viable.

PROGRAM AND COURSE OFFERINGS: The mix of programs should be appropriate to: (1) the needs of the service area, measured in part by enrollments; (2) community initiatives in program development, and the like; (3) the distribution of faculty expertise; (4) availability of specialized adjunct faculty, as needed, and (5) the match with classroom, library, and laboratory resources.

Resident Instruction: Most courses should be taught by full-time faculty. Small class size and access to full-time faculty provide significant advantages for CES students. Curricular management should provide: (1) annual access to curriculum-essential courses for all students; (2) a sufficient breadth of general education requirements to allow students to sample courses of

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[6] Given the variety of students served by CES campuses, the goal is not necessarily a Penn State degree. Some adult students may choose to take occasional courses with no particular degree in mind. Some students will intend from the start to complete the degree elsewhere, but choose to use a Penn State campus for a strong beginning. Location-bound students must complete degrees elsewhere unless the local campus has been successful in mounting the desired degree program. Certificate programs are a significant attraction for employed adults; in some cases, they may facilitate recruitment of adult students for degree programs as well.

interest outside the chosen major, and (3) sufficient flexibility in scheduling (by semester, days, hours). Fiscal reality will impose limits; even so, the schedule should be reasonably consistent with the needs of students at all levels served by the campus.

Enrollment is an indicator of the viability for specialized programs requiring courses not taken by students in other majors. Enrollment per section may be useful for gauging viability of programs or individual course offerings; individual cases should be evaluated in terms of the balance of total credits produced by the program, including other courses whose enrollments are enhanced by the presence of students in the specialized course. Furthermore, credit production and other work assignments for each faculty member and/or department should match student needs as well as the opportunity for faculty to teach in specific areas of expertise. The opportunity to teach specialized courses enhances faculty morale and professional growth. Thus, underenrollment in a single course required for advanced students in a major may be balanced against enrollment of other students in general education courses taught by the same faculty member or department, or by enrollment of the same students in more heavily enrolled courses.

Continuing Education Programs: Cost-effective non-credit and certificate programs offered through Continuing Education should reflect community need, demonstrated by requests from individuals and organized groups. Programming should include both short-term response to immediate situations, as in guidance and/or retraining programs for persons in danger of layoff by local industry, and ongoing programs such as managerial skills, retirement planning, and paralegal courses. Public service programs should be balanced with those that produce income.

At some campus locations, the most important service Penn State renders may be through continuing education. The creativity of the continuing education staff should be demonstrated by appropriate initiation of new programs, in addition to maintenance and revitalization of ongoing ones. The perception of community and business leaders of the importance of a campus's continuing education programs is one measure of their success. Others include, but are not limited to: administrative and programmatic integration of continuing education activities with the rest of the campus; student satisfaction; student transition into additional campus offerings, including degree programs; and employer satisfaction with programs on campus and on site.

Facilities and resources: The classroom, library, laboratory, and computer facilities, equipment and resources available to the campus must be adequate for all programs and courses offered. Appropriate community facilities may be used to enhance those on campus. Acquisition and maintenance of equipment in teaching laboratories must be adequately supported by the Director of Academic Affairs' departmental allotment and/or other resources. A strong, proactive role for technical advisory boards should be documented for each technology and clinical program. Faculty and staff involvement in consultative roles in the community may be an indicator of campus strength as well as community need.

External interactions: For some programs, external accreditation, contracted clinical and/or internship sites, and/or cooperative educational modes will be an indication of quality. Collaborative programs with neighboring institutions' sharing facilities, resources and/or personnel may be a positive factor. Synergy, rather than competition, may enhance viability for all participants. Such collaboration may occur among Penn State campuses in a region or among several different colleges and universities, including the local Penn State campus. This collaboration serves Penn State's mission of presence in the community in the short term, and extends Penn State's reputation, and hence its desirability for subsequent generations of students, in the long term.

FULL-TIME FACULTY: The quality and suitability of the full-time faculty is the greatest single determinant of the quality of program delivery at a campus. The production of a quality faculty depends on the quality of the faculty themselves and the actions of administrators in the support and development of the faculty. Recruitment and development of faculty should focus primarily on excellence in instruction and advising, supported by appropriate scholarship and research consistent with departmental requirements.

Recruitment: Faculty should be suitably diverse in gender, race and ethnicity. Faculty should have demonstrable commitment to and skills in instruction as well as the scholarly attributes required by academic departments. The administration is responsible for the candidate's understanding of the balance required between teaching and research on the campus. Suitable research opportunities must be available.

The campus administration must explain to candidates the character of the student body, including the range of academic abilities and skills. The rewards of teaching on a CES campus are genuine, but they differ from those at an Ivy League University, or at the University Park campus of Penn State. Faculty should be recruited who prefer the CES campus environment. The quality of the campus's physical plant and the attractiveness of the surrounding community, in terms of natural, cultural, and/or research resources, may have a significant impact on the recruitment and retention of excellent faculty; if the impact is negative, the campus may be nonviable.

The quality of administrative activities in recruitment and support of faculty members may be measured by faculty success in tenure and promotion, as well as the campus administration's evaluation by department heads and associate deans for CES faculty.

Evaluation: HR-23 (nee PS-23) provides ample documentation of the required characteristics of individual full-time, tenure track faculty with regard to credentials, teaching effectiveness, advising and mentorship of students, research, scholarly activity, and community service. However, evaluation of the quality of the campus as a whole should include in-depth evaluation, including, but not limited to:

Instruction and advising. The campus should be able to document high quality instruction in all of its forms. Indicators include, but are not limited to: (1) student perception of the campus's commitment to and delivery of teaching and advising; (2) faculty acquisition of University and external teaching and advising awards, grants for curriculum development; curricular innovation; (3) involvement of students in research and acquisition of grants to support student research; (4) a broad base of faculty participation in honors programs, and, where appropriate, (5) faculty involvement in clinical sites and/or cooperative education mentorship.

Administrative support for faculty development in instructional proficiency and creativity and in advising should be documented. Exceptional performance in teaching and advising should be rewarded.

Scholarship and research. Quality may be demonstrated by faculty progression to senior ranks, acquisition of sabbaticals and grants for research, and publications. Mentorship of colleagues by senior faculty is a valuable service. Administrative support for junior tenure-track faculty is essential. Support for the continued growth of senior tenured faculty is equally important, if teaching is to remain fresh and vigorous. Commitment to faculty development consistent with the campus mission includes encouragement and support from the campus administration, advisory board and community. Examples include, but are not limited to: interdisciplinary cooperation, new expertise for faculty whose course assignments are

changing, technological expertise for course presentation or research, and travel to professional meetings.

While scholarship and research often promote better teaching, individually and collectively, faculty scholarship and research should be balanced with instruction in all forms.

Work loads. The administration must assign work loads consistent with the optimum balance of faculty vitality and fiscal reality. Policies related to course load and total instructional assignment (including advisees, administrative duties, community work, unique teaching assignments) must be consistent with departmental expectations, individual professional need for scholarly activity, and the realities of the campus budget. Collaboration with faculty in neighboring institutions and/or contribution of equipment or sharing of research sites by local industries may help to offset limited budgets for research equipment. Involvement of undergraduate students in research, valuable in its own right, may help to offset the absence of graduate students or other research assistants for CES faculty.

Recruitment of students may involve faculty as well as administrative personnel. For specialized programs (e.g. those in technology or allied health), faculty involvement may enhance recruitment significantly. Campus administrators should adjust other parameters of affected faculty's workloads accordingly.

Incentives and rewards: In all areas of faculty life, the administration's just distribution of costs and benefits is critical to optimal performance. Collaboration of faculty within and among disciplines is one indication of a healthy sense of colleagueship. Other indicators include, but are not limited to: cooperative scheduling of courses, fair apportionment of student credit hours generated in team-taught courses, administrative support for and acknowledgment of creative efforts, and negotiable trade-offs in course load to allow opportunities for appropriate ventures in course or program development.

NON-TENURE-TRACK FACULTY: The utilization of adjunct faculty, whether on continuing, fixed-term full-time, or part-time contracts must be consistent with excellent instruction and other aspects of student needs, including access to faculty for instructional assistance and advising. The credentials of non-tenure-track faculty should be appropriate to the courses assigned.

Continuing and Fixed Term I Faculty: In some technical and clinical associate degree programs, the use of professionals as instructors is highly desirable. Their performance should be measured primarily by student outcomes. The campus administration should support opportunities for continuing professional growth for these instructors.

If a campus develops special curricula to support students who have been admitted to degree programs with skill deficiencies, the use of full-time, non-tenure-track faculty to teach English as a second language, remedial English, reading courses, or developmental mathematics courses may represent the best approach to quality in that effort. Full-time instructors provide continuity of instruction and the additional emphasis on advising that enhance every aspect of academic support programs.

Part-time Faculty: Part-time faculty may be recruited from the community on the basis of unique expertise for a course for which the enrollment does not warrant a full-time faculty member (e.g. a judge or attorney for Business Law, or a reading specialist for LLED). Judicious use of part-time faculty may enhance program delivery, but excessive reliance may diminish quality by limiting student access to faculty and increasing the burden of other tasks, such as advising and committee work, on full-time faculty. Some campuses have developed a stable cadre of part-time

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faculty who participate fully in campus life and contribute significantly to it. This practice may enhance cost-effective delivery of academic programs, and should be seen as a positive indicator.

STAFF SUPPORT: The contribution of administrative staff assistants and other nonfaculty employees to the effectiveness of the campus environment must be appreciated. For instance, the first person who greets a visitor to a campus is likely to be a staff assistant. The day to day workings of the computer center, physical education facilities, learning and/or advising centers, the financial and registrar's offices, to name but a few, are largely dependent upon non-academic personnel. The efforts of maintenance, security, and custodial staff are essential to the attractiveness and safety of the campus. All staff must be provided with appropriate opportunities for development and advancement on the campus. Provision of continuing education for staff is a positive investment in the campus future. Administrative and faculty appreciation for staff should be documented through a variety of awards and/or celebratory events. Staff should be adequately and efficiently deployed, in balance with the range and emphases of campus activities.

ADMINISTRATION: A strong administrative team sets the tone for the quality of campus life for all of its participants. At best, the campus vision is a synthesis achieved by the administration, the faculty, and staff. Significant indicators of excellence include, but are not limited to: positive AD-14 reviews; congruence of administrative and faculty priorities; apparent access to administrators by faculty, staff and students, including the perception of administrators' openness and quality of mind in participatory decision-making; administrators' sensitivity to the role of building a positive public image; involvement of administrators in the community; successful acquisition of external funds; and alumni involvement in campus activities. The administrative philosophy, reflected in budget priorities, has profound impact on the morale of faculty, staff, and students, and, hence, on the quality of program delivery and student outcomes.

SUMMARY: The primary considerations of the quality of campus activities should be: (1) the quality of the programs and faculty, (2) the success of the students, (3) support by the administration and staff, and (4) congruence with the mission of the campus, the CES and the University as a whole. The specific student population and program mix may vary considerably among campuses due to the varied needs of the communities served. Student outcomes, broadly defined, are a major criterion of the effectiveness of program offerings and instruction. To maintain excellence in instruction and essential collateral services, faculty and staff development must receive adequate support.

ENROLLMENT

Enrollment is a critical barometer of institutional vitality. However, as with any barometer, no single reading can accurately reflect climate. If the mission of a campus is appropriately enunciated and delivered, enrollment should develop naturally. However, that mission must evolve with the changing marketplace, reflecting economic and demographic trends in the service area, as well as changes within the CES and the University as a whole. Viability of individual campuses and the CES as a whole is dependent upon an effective admissions process that adequately promotes the mission of the campuses.

Having acknowledged the diversity of campus missions, we must reject the notion of a universal minimum enrollment as a criterion for campus viability. Campuses differ in diversity of programs, size of faculty and physical plant, accommodations for noncommuting students, and local population density and desire for higher education. The growth mentality of the system and the University as a whole in the 70s and early 80s caused many campuses to become somewhat overextended. Thus, many campuses are experiencing a decrease in student numbers, although market share has remained constant or improved.

Enrollment should be assessed in terms of critical mass, student retention or flow, the match of student interest to faculty and student:faculty ratio, and the ratio of students to administrators and staff. Student quality is important as well, especially as it reflects upon the University as a whole (see the section on Quality).

CRITICAL MASS: Critical mass is the minimum student population to whom a campus can provide a defined quality educational experience within stipulated resources. The comparatively small student populations at CES campuses makes them attractive to many students. As long as the campus can operate efficiently and support an educational experience of quality, small size alone is not a negative factor in viability assessment.

Definition of the minimum number of students for a single campus is difficult. There is no single number which all campuses should be required to meet to be deemed viable. Campus enrollment assessment should include past trends and future projections. Factors such as projected graduating classes for the high schools from which campus students are drawn, anticipated growth due to recent changes in programming for traditional or adult students, and factors which increase efficiency but caused a drop in enrollment (such as the closing of an underenrolled program) should be documented.[7] Community response to Continuing Education programming should be included when assessing a campus's effectiveness.

Since many campuses serve a substantial number of part-time students, enrollment should be measured both as head counts and as full-time equivalents. Each student requires a level of service beyond the classroom that is not related to the course-load carried; strategic advising of part-time students is time-consuming but essential to the proper service of that student. Financial office and career development services may also be important to the part-time student. Some returning adult students initially take full advantage of the learning center while regenerating academic skills that have not been used recently. The transition of part-time, nondegree students into degree programs meets an important need for adult students, one that is served almost exclusively by CES campuses. Full-time equivalent data may be useful in assessing constituency response to program and course offerings, both for credit and non-credit curricula.

STUDENT RETENTION: Satisfactory student progress toward self-defined goals is a critical indicator of campus viability. Appraisal of retention must include: (1) the effectiveness of support programs for under-prepared students admitted to degree status; (2) cultural sensitivity to needs specific to minority students, and (3) successful transition of provisional students to degree status. CES campuses should not be penalized for acceptance of potentially successful at-risk students. The University and the Commonwealth are well served if retention of students on CES campuses is measured as value added.

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[7] For a given year's assessment, programs should already be approved and in place, with a specific measure of student response, at least in terms of preliminary interest. In other words, enrollment assessment is based on evidence in hand.

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Other indicators are also important for CES campuses, who serve students with a broader range of needs and aspirations. The concept of student flow includes: (1) successful articulation of students with and graduation from programs outside of Penn State, especially in areas where Penn State does not offer the equivalent degree; (2) the successful matriculation of non-credit or nondegree students into degree programs; and (3) satisfaction of goals for students who have no intention of earning a degree.

STUDENT/FACULTY RATIO: A viable campus must be able to operate with reasonable efficiency. Therefore, the match of faculty expertise to student needs is critical. For many students, the favorable student/faculty ratio in the classroom is what attracts them to a CES campus. The improved instruction, advising, and mentorship engendered by small classes and advising loads are especially helpful to less assertive students as well as to the moderately underprepared. If student population shifts result in a long-term, significant mismatch of faculty by discipline, then adjustments must be made. This notion is consistent with the redefinition of mission described earlier in the report. Adjustments may be accomplished if faculty: (1) adapt sufficiently to new areas of instruction, with departmental approval, thus meeting a new need on the same campus; (2) perform joint responsibilities for two adjacent campuses, or (3) transfer to a different campus, including University Park.

STUDENT/ADMINISTRATION RATIO: As with faculty, the size of the administrative staff must match the student, faculty, and programmatic needs of the campus. The possibility of shared administrative officers described in the 1992 *CES Plan for the Future* may alleviate the undue burden of administrative costs for some of the smaller campuses.

SUMMARY: Enrollment is a critical dimension of campus viability. For the purpose of determining viability, enrollments should be measured both over time and in terms of critical mass for each particular campus. Other important attributes are success in student retention, to the satisfaction of personal academic goals, and an appropriate number and composition of quality faculty and staff to meet student needs.

FINANCES AND FACILITIES

INTRODUCTION: The considerable differences in physical plants and the recent shift of the CES campuses from an expense-based budget to a formula-funding system significantly affect the appraisal of the campuses' facilities and finances as viability indicators. Evaluation of these factors, like that of enrollment, must be done in historical perspective and in view of a realistic strategic plan geared to specific campus mission.

Campuses vary on so many individual fronts that assessment of any one cost center individually or comparatively at a given time may produce misleading numbers. For example, the quality and condition of the physical plants vary enormously. Like many other enterprises, even the most efficiently operated campus can expect to experience wide variations in expenses among departments in one year, and substantial fluctuations over time. Thus, assessment of the financial viability of a campus must be based on the totality of the campus experience rather than a simple compilation of individual pieces.

Within the last two years, the entire budget process has undergone a massive shift in the CES. It is unrealistic to expect immediate adjustment, especially for those campuses who had been most successful under the expense-driven scheme, which tended to respond to the "squeaky wheel" method of expense documentation. The new formula, or Equity Model,[8] which includes adjustments for factors affecting quality, is highly volatile on the margins. Overall, the Equity Model requires decreased unit and total costs concurrent with maintenance or increase in enrollment. Revenues and expenses do not wax and wane synchronously, and the system-wide changes in revenue may be at variance with an individual campus's condition. Thus, a minor decrease in student enrollment at a campus may have little impact on total legitimate expenses, and an overall decrease in the system may result in a smaller budget allotment for campuses whose enrollment has remained the same or even increased.

The present formulation of campus budgets within the overall CES budget differs from that in Penn State's colleges and most other postsecondary institutions, including the Pennsylvania community colleges and the State Higher Education System, where the total enrollment has less effect on individual budgets. For the CES system, an increase in individual campus revenues may be contingent upon an increase in the entire system's enrollment. Planning is complicated by the fact that a given CES campus's improved performance in increased enrollment or reduced expenses may not be rewarded commensurately if overall CES revenues decrease. Furthermore, individual campuses are measured against others of similar size, even though a number of historical factors may make them quite different: for example, some campus enrollments are very sensitive to local economic factors which may be temporary.

FINANCES: A viable campus will demonstrate, either currently or potentially, the ability to operate within a predetermined and agreed set of efficiency and effectiveness parameters: Efficiency refers to a campus's performance in relation either to an absolute standard, i.e. a fixed number of dollars per student or service, or to a comparability standard in which one campus's cost is compared with that of every other campus.

If efficiency were to stand alone, the best campus would provide the most service for the least dollars. However, the campus must also be concerned with the quality and outcome of the service, that is, its effectiveness. For example, the least expensive way to provide a course is with part-time instructors, but most agree that both the process and the outcome of such instruction might suffer, due to lack of continuity among courses, the loss of student-instructor contact outside of the classroom, and the absence of a critical mass of full-time faculty to provide other campus services. A viable campus must strike a balance demonstrating efficient delivery of programs and services of a quality consistent with Penn State as a whole. Quality issues are described fully in an earlier section of this report.

The campus budget must reflect accurately the priorities and strategic plan of that campus, negotiated and endorsed by the University at the highest policy level. The campus budget must provide accurate and uniform cost accounting for each service and document actions taken to reduce excessive expenses or inadequate services over the long term, consistent with the campus's mission and CES standards, even though each campus could emphasize different services.

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[8] The Equity Model determines annual adjustments to campus budgets based on cost per student credit hour generated, adjusted to account for such positive factors as: instructional involvement of faculty in upper ranks, upper division courses, adult and minority student enrollment; negative factors include excessive use of part-time faculty, and excessive enrollment of provisional traditional students.

Under present University policy, we must assume the continuing application of the Equity Model. We note some significant consequences having implications for viability: (1) A viable campus must operate within the resources available, regardless of any argument about the peculiar nature of the expense or quality of the services provided. (2) A campus cannot remain idiosyncratically expensive or inefficient within this system; therefore, a campus currently above the line must show potential for moving into conformity to system norms and standards. (3) Circumstances such as an imbalanced set of programs, top-heavy administration, or underloaded faculty teaching requirements, may need adjustment if a campus is to be viable in the long term.

The ability of the campus to operate within its budget and to adjust budgetary allotments according to changes in strategic planning, consistent with changes in student and community needs, should be the primary focus of evaluation, as long as the campus is not too far off the curve in cost per credit hour. Even then, a realistic plan for improved efficiency should be given an opportunity to reach fruition if a campus's viability is at issue. A campus must not assume new programmatic or physical plant responsibilities for which it cannot meet expenses. Appropriate tradeoffs may be necessary. Reduction of costs should not be at the expense of program quality.

FACILITIES: The size, scope, and condition of campus physical plants account for much of the variation among campuses in operating costs. The historical growth of campus facilities varies from the inheritance of antiquated buildings to the acquisition of new ones through the beneficence of community or individual largess. Campus plants vary from the unwieldy to the optimally efficient. Thus interpretation of operating expenses should be adjusted to the realities of the plant if these costs are to be related appropriately to student credit hours generated. Even so, a viable campus must operate within the overall revenue available.

If a physical plant creates expenses which cannot be supported either by revenue generated by the campus or by the CES as a whole, given a fair distribution of resources, then that campus may not be viable in its current programmatic or administrative configuration. Alternative measures to address cost/revenue imbalances are described in the Process section.

EQUIPMENT: Programs differ among campuses, so the type and cost of equipment necessary to support the curricula must vary as well. Technological and scientific curricula are usually more expensive than those in liberal studies. A viable campus must demonstrate the ability to reserve or to generate adequate funds for: (1) acquisition and maintenance of curriculum-essential equipment and supplies, (2) adequate technology for all aspects of campus operation, including that of a learning center, and (3) appropriate training of staff and faculty in the utilization of campus-wide technology. Campuses unable to remain technologically current may require an adjustment of mission or may become nonviable. Furthermore, the CES system as a whole must be able to support system-wide update of appropriate technology, including intercampus telecommunication capabilities.

SUMMARY: The efficient, effective operation of a campus must be congruent with the mission and strategic plan for the campus and the mission and strategic plan of CES and the University as a whole. Assessment of the efficiency and effectiveness of a campus's operation must include adjustments for differences in the costs of physical facilities and equipment as well as the relationship of cost to student credit hour production. The recent advent of an equity model of budget formulation has affected some campuses more adversely than others. To remain viable, campuses currently operating significantly above the CES curve of cost per credit hour must

develop a reasonable plan and chronology for improved efficiency without loss of effectiveness. Alternative measures to address cost/revenue imbalances are described in the Process Section.

COMMUNITY INTEREST AND POLITICAL SUPPORT

A viable CES campus must enjoy the tangible, measurable support of the community and student constituency it serves. Some campuses will be more dependent than others on local support and a local student base. Campuses with a state-wide and even regional mission may define their constituency more broadly and see their interests less directly tied to the geographically contiguous area. The proximity and number of other institutions competing for attention, enrollment, and resources will also affect a campus's local influence as a center of higher education activity. Nevertheless, each campus should develop and maintain identity and presence in the immediate community.

A campus should be able to identify and quantify its positive impact within the community it serves, using a broad range of criteria including, but not limited to: Advisory Board effectiveness, campus impact on community development, market share and trends for local enrollments, fundraising success, government support, alumni support, community participation in cultural and other programs, and state-wide political advocacy.

CAMPUS ADVISORY BOARD: The desirable characteristics of a CES Campus Advisory Board fall into three general categories: (1) diverse and influential membership, (2) support for internal and external campus operations and activities, and (3) resource-development capacity.

Board members should be broadly representative of the community, enjoying community recognition as local leaders and persons of influence, and able to serve as strong, credible advocates for the campus.

A strong Board should have a quantifiable record of achievement, including positive influence on local and state-wide decision-making on behalf of the campus. Local legislators should recognize and respond to Board members as persons of influence and impact in the community, and, thus, support important campus projects at the state level.

As representatives of an informed, concerned community, Advisory Board members should provide valuable advice about strategic planning, current and future campus programs, community reaction and status, and employer acceptance of graduates. A strong Board should have a record of providing useful and appropriate advice about campus operations, and participation in campus committees including strategic planning, enrollment and marketing plans, and development.

Board members should have an important role in campus-based fundraising. A strong Board should demonstrate long-term success and/or an upward trend in successful fundraising. Some members should contribute generously to leadership gifts in campus campaigns, and all should influence others to do the same.

EDUCATIONAL LEADERSHIP: CES campuses have a natural and important role in encouraging and supporting community access to quality education at every level. A campus should demonstrate activities appropriate to individual locale which perpetuate the land grant mission and vision of the University.

Campus faculty and administrators should demonstrate their leadership role in the community by: (1) participating in partnerships, as well as unilateral efforts, to provide opportunities for the education of underserved populations; (2) speaking out on educational issues and acting as a community resource in articulating and furthering the area's educational agenda, both within the education community and the community at large; (3) accepting speaking engagements, consultations, and other participation in support of the community's educational goals; and (4) engaging in collaborative and cooperative liaisons with all levels of education providers, including those for higher education.

ECONOMIC DEVELOPMENT: A viable campus should reflect ample evidence of impact on local economic development. Examples of tangible evidence include: (1) active roles in local and regional plans as an important contributor to the economic vitality and future of the community, (2) participation through resident instruction and continuing education in the development and upgrading of the local work force, (3) membership of key campus representatives in local and regional planning efforts, and (4) participation in local and regional planning efforts to encourage the location of new industry in the area. Campus faculty and administrators should have a record of providing valued advice and service to the community through research and community outreach.

In addition to local initiatives, a viable campus should demonstrate impact on state-wide economic development. Campuses should be active partners in state-wide economic development initiatives, including PENNTAP, Ben Franklin, and Mantec programs and the like.

CULTURAL IMPACT: Campuses should act as a focus for cultural enrichment of their communities, providing programs in the fine and performing arts. Although the local impact of campuses will vary, depending on their location, each campus should strive for an expanded voice in the community through the provision of diverse cultural opportunities for their students and local community members. The campus should demonstrate its influence in the community through requests for speakers and programs as well as attendance at campus-sponsored events.

LOCAL ENROLLMENTS: Although a few campuses recruit up to half of their students from beyond the local area, most campuses rely heavily on the contiguous area for enrollment. Campuses should be seen as a higher education institution of choice within their local choice set. A viable campus should demonstrate a continuing pattern of strong local enrollments of traditional and non-traditional students having positive quality-indicators. Local high schools and career counselors should routinely recommend the campus to well-qualified students.

The campus should have a record of increasing participation in an expanding range of continuing education programs, particularly those directly related to the economic vitality of the community. The campus should be seen as a competitive continuing education source within its service area.

FUNDRAISING: Commonwealth Campuses depend on local fundraising to provide capital improvements and special projects and programs such as faculty development, student enrichment and research, and scholarships. A viable campus will boast a strong record in fundraising from the community and alumni, led by the Advisory Board and local business and industry leaders.

GOVERNMENT SUPPORT: Campuses should have a record of strong ongoing relationships with local government and representatives of regional and state government. Evidence of positive relationships includes: funding of campus projects, cooperation in physical plant development

(such as acquisition of additional land and better campus access), and funding of projects for local students through the Private Industries Council and other state funding sources. Ideally, local and state government representatives should enjoy a close relationship with campus leadership, including frequent campus visits. Some campuses may recruit local government officials to serve on the Advisory Board.

ALUMNI SUPPORT: Committed alumni support a viable campus by participation in fundraising, recruitment of students, and enhancement of the campus reputation. The campus should have an ongoing record of a broad base of alumni involvement in these activities, plus active participation in alumni and cultural events.

STATE-WIDE ADVOCACY: Campuses have a role in furthering the wider interests of Penn State University and should act in concert with other sectors to further state-wide support for the University. Although a forceful local role is essential to campus viability, a strong campus will also have a record of state-wide visibility and advocacy as a voice for the University. Ideally, the campus will prove an effective advocate for University-wide concerns and a rally point of local support for issues facing higher education in general. The campus should be able to document success in mustering support of issues vital to the University.

SUMMARY: Campuses should have a strong reputation as providers of credit and noncredit courses for the local community. More isolated campuses may be the major source of cultural events for the area, but all campuses should be attractive to members of the community as sources of programs, facilities for appropriate community activities. While campuses differ considerably in dependency on local resources, even for enrollment, a viable campus should enjoy the full support of its Advisory Board, the respect of it's community, and advocacy by representatives in local and state government.

THE PROCESS FOR DETERMINING CAMPUS VIABILITY

Evaluation of viability serves two purposes for a campus: (1) it provides accurate documentation of cost-efficiency and effectiveness of the campus operation at all levels, and (2) it provides guidance for the strategic planning process for that campus. Collectively, evaluation of all campuses within the Commonwealth Educational System gives a measure of the system's health and promotes more effective strategic planning for the entire system, as well as the component campuses. In any event, this process must consider long term benefits and liabilities. For campus and system alike, clear definition of viability criteria and standards is essential to the process. The preceding sections of this report have provided extensive, if not exhaustive, guidance in terms of criteria.

Application of the criteria in the evaluation of individual campuses requires the full participation of all constituencies: students, faculty, administration, and community leaders at the local level, administrators of affected academic departments and colleges and senior administrators at University Park. Evaluation is a dynamic process of discovery which changes the interactions among and within the participants. Community leaders or University administrators may learn about contributions by a campus which enhance its value, or they may see new opportunities for collaboration to the mutual benefit of all. Campus leaders may recognize previously undefined

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needs in the community that are appropriate to the campus mission. University administrators may find the nature and strength of support and appreciation for a campus to be far greater than previously supposed. Thus, determination of the campuses' viability is the first step in restructuring CES as a whole to achieve greater efficiency and effectiveness.

Evaluation of campus viability requires both value and criteria-based judgments. It is the purpose of this report to guide a process from which the best judgment can be made. At its best, the process should promote the vitality of the campuses, rather than inducing morbidity. Such a positive process is contingent upon each participant's exercise of a quality of mind that is open, scrupulously honest, and absolutely committed to the best interests of the University and the people of the Commonwealth of Pennsylvania.

The most important result of the process should be the promotion of change to improve campus viability. In the final analysis, we expect that few, if any, campuses will be completely closed. It is imperative that the actual process of viability studies not demoralize students, faculty, administrative staff, or community supporters. Therefore the following sequence of events is recommended:

I. EVALUATION OF CAMPUS VIABILITY IN RELATIONSHIP TO THE CURRENT MISSION:

A. The current mission statement and strategic plan should address campus conditions and expectations realistically. It is imperative that campuses set appropriate, feasible goals for change, even if they are doing well. The shifting economic and education needs within the Commonwealth must be addressed in a timely fashion.

B. Documentation of the criteria within each indicator described in this document should be provided in a succinct form.

1. Numerical data about enrollments, annual student credit hours, faculty teaching and advising loads, faculty distribution by rank, student, faculty and staff distribution by gender, race and ethnic group, departmental allotments and total budgets, demographic projections for each campus's contiguous service area etc.) should be provided from CES central administration, where they are routinely collected. While comparative data are somewhat useful, the differences among the campus may make purely quantitative, comparative figures misleading and, hence, potentially invalid.

2. Evidence of high quality in programs delivered by all segments of the campus should include summary data of indicators of student satisfaction and achievement (especially as value added), grants and honors bestowed on students, faculty, administrators, and/or the campus, external, professional approval, where appropriate, and documentation of community and political support.

3. Documentation of the status of the campus's physical plant, technology and equipment should give particular attention to anticipated cost of preventive and corrective maintenance, projected improvements to maintain technological currency and enhance efficiency, and set realistic goals for new acquisitions.

4. Documentation of the campus's community influence, support, and fundraising capability should include data for the last five years plus specific targets for the next three years, including sources and purposes for the funds.

Each campus should address these issues in its continuing strategic planning and budgeting processes. If, through the CES administration's application of the principles of this document, a campus is deemed healthy, the CEO should be so notified and the campus should be exempted from viability review *per se* for five years. This is to prevent dilution of campus efforts in the delivery of programs by redundant documentation of previously accepted performance.

II. IF A CAMPUS IS JUDGED INEFFICIENT OR INEFFECTIVE IN THE DELIVERY OF ITS MISSION, THEN:

A. If the problems can be addressed by the campus alone, the campus administration should receive guidance and concurrence from CES administrators concerning the specific areas that can be addressed most fruitfully in order to develop a viable posture, including, but not limited to:

1. Redefinition of mission and programs
   a. Improvement of quality
   b. Addition or deletion of programs
   c. Internal reconfiguration of faculty and or staff

2. Other possible ameliorative actions:
   a. To increase income:
      1) Increase in enrollment
      2) Improved fundraising, and equipment donation through the community
      3) Program expansion by Continuing Education unilaterally and in collaboration with business, industry, and organized constituency groups
      4) Limited rental or sale of some assets of the campus
   b. To decrease costs:
      1) Closing underenrolled programs if they do not support enrollment in general offerings
      2) Redefinition of administrative or faculty assignments to improve cost-effectiveness
      3) Adjustment of faculty mix to deliver successful programs more efficiently
      4) Short-term investment to improve long-term efficiency of operation of the physical plant
      5) Downsizing through consolidation and/or termination of positions

B. If the problems appear to be too severe to be resolved by the campus individually, the administration may explore one or a combination of the following strategies:
   1. Regional collaboration among neighboring CES campuses to enhance campus visibility, range of programs, strength in recruiting and fundraising, and the like
   2. Collaborative reconfiguration with a neighboring CES campus, so that some services can be shared, rather than being provided in duplicate
   3. Reduction in services offered by the campus
   4. Reduction of some programs with subsequent transfer of some faculty to other campuses (including University Park) if the mix is unsuitable for current campus curricula
   5. Merger of the campus with one or more other postsecondary institutions in the area (see Related Studies)

C. A campus may be sufficiently valuable to the University as a whole—as a focus for minority recruitment, as a political presence, and/or as the favorite of a major contributor

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to the University as well as the campus—to warrant subsidy by the University. In addition to the question, "What can be gained if we close this campus?" the University should be sure to assess "What will be lost if we close this campus?" (See below)

D. It is essential to the health of the entire CES system that a campus in jeopardy be given a fair time period in which to address campus problems. Otherwise, the morale of campus personnel at all locations will erode to the detriment of program delivery.

III. IF, THREE CALENDAR YEARS LATER, A CAMPUS IS STILL DEEMED NONVIABLE, THEN THE EFFECT OF CLOSING, RECONFIGURING, OR RELOCATING THAT CAMPUS SHOULD BE ASSESSED. FACTORS TO BE EVALUATED INCLUDE, BUT ARE NOT LIMITED TO:

A. Potential positive effects for Penn State:
   1. Possible one-time gain from sale of property or portable assets
   2. Continuing savings in cost of physical plant if it reverts to prior owner
   3. Continuing savings from salaried positions not relocated within Penn State
   4. Redistribution of library holdings, equipment and the like within Penn State

B. The negative impact on Penn State:
   1. Short term financial factors:
      a. The loss of tuition revenue from students who will not attend Penn State at another location
      b. The loss of upper division students to Penn State's University Park, Harrisburg and Behrend campuses
      c. The cost of relocation or reimbursement of tenured faculty
      d. The cost of unemployment compensation for all terminated employees
      e. The feasibility and costs of providing for transfers for students in good standing in a campus-specific program, in keeping with the University's moral obligation to them
   2. Long term financial factors:
      a. The loss of local financial support for the University
      b. Reduced recruitment of students from the locale for all campuses of Penn State due to the loss of a Penn State presence
   3. The loss of local political support for the University as a whole
   4. Erosion of Penn State's land grant mission
   5. The reduction of minority recruitment for the University (through campuses in major metropolitan areas)
   6. The damage to the health of the CES system as a whole, given impact on morale of personnel at other campuses

C. Community and political impact
   1. The loss of educational opportunities for the constituency served by the campus
   2. The loss of faith in Penn State's commitment to location-bound constituents, local businesses and industries, etc.
   3. The perception of a reduced concern for minority students by Penn State, especially if campuses in major metropolitan areas are closed
   4. The economic impact on the community through loss of jobs, loss of programs important to key industries, and the like

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